

# Legislative Audit Division

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State of Montana



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Report to the Legislature

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March 2004

## Financial-Compliance Audit

For the Two Fiscal Years Ended June 30, 2003

## Montana Single Audit Report

This document is prepared in accordance with the federal Single Audit Act Amendments of 1996 and OMB Circular A-133. It contains the auditor's reports on Montana's Basic Financial Statements and Schedules of Expenditures of Federal Awards for the fiscal years ended June 30, 2002, and 2003, as well as Reports on Internal Controls and Compliance, the Schedule of Findings and Questioned Costs, the Corrective Action Plan, and the Summary Schedule of Prior Audit Findings.

Direct resolution of federal issues to:  
Single Audit Coordinator  
Office of Budget and Program Planning  
PO Box 200802  
Helena MT 59620-0802  
Phone: (406) 444-3616

Direct comments/inquiries to:  
Legislative Audit Division  
Room 160, State Capitol  
PO Box 201705  
Helena MT 59620-1705

03-02

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## **FINANCIAL-COMPLIANCE AUDITS**

Financial-compliance audits are conducted by the Legislative Audit Division to determine if an agency's financial operations are properly conducted, the financial reports are presented fairly, and the agency has complied with applicable laws and regulations. In performing the audit work, the audit staff uses standards set forth by the American Institute of Certified Public Accountants and the United States General Accounting Office. Financial-compliance audit staff members hold degrees with an emphasis in accounting. Most staff members hold Certified Public Accountant (CPA) certificates.

Copies of the Single Audit Report can be obtained by contacting:

Single Audit Coordinator  
Office of Budget and Program Planning  
PO Box 200802  
Helena MT 59620-0802  
Phone (406) 444-3616

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# LEGISLATIVE AUDIT DIVISION

Scott A. Seacat, Legislative Auditor  
John W. Northey, Legal Counsel



Deputy Legislative Auditors:  
Jim Pellegrini, Performance Audit  
Tori Hunthausen, IS Audit & Operations  
James Gillett, Financial-Compliance Audit

March 2004

The Legislative Audit Committee  
of the Montana State Legislature:

This is our Single Audit Report of the state of Montana for the two fiscal years ended June 30, 2003. This document contains the independent auditor's reports on the state of Montana's Basic Financial Statements and Schedules of Expenditures of Federal Awards for the fiscal years ended June 30, 2002, and 2003. It also contains reports on the state of Montana's internal controls and compliance with federal and state laws and regulations, a Schedule of Findings and Questioned Costs, a Corrective Action Plan, and a Summary Schedule of Prior Audit Findings. The Single Audit was conducted in accordance with *Government Auditing Standards* and Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.

The audit disclosed certain questioned costs and deficiencies, which are summarized in the Schedule of Findings and Questioned Costs in this document. Agency management has responded to the audit findings, and the responses are included in the Corrective Action Plan prepared by the Office of Budget and Program Planning. Findings previously reported in the state of Montana's Single Audit Report for the two fiscal years ended June 30, 2001, that would be reported under OMB Circular A-133 are included in the Summary Schedule of Prior Audit Findings, which was also prepared by the Office of Budget and Program Planning.

Respectfully submitted,

*(Signature on File)*

Scott A. Seacat  
Legislative Auditor

# **Legislative Audit Division**

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**Financial-Compliance Audit**

**For the Two Fiscal Years Ended June 30, 2003**

## **Montana Single Audit Report**

Members of the audit staff involved in this audit were Pearl Allen, Danielle Gamradt, Geri Hoffman, Hollie Koehler, Jim Manning, Alexa O'Dell, Jennifer Solem, and Joyce Weber.

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# **Report Summary**

## **Montana Single Audit Report**

### **Financial-Compliance Audit For the Two Fiscal Years Ended June 30, 2003 Audit Number 03-02 Report Summary**

This document is prepared in accordance with the federal Single Audit Act Amendments of 1996 and OMB Circular A-133. It contains the auditor's reports on Montana's Basic Financial Statements and Schedules of Expenditures of Federal Awards for the fiscal years ended June 30, 2002, and 2003, as well as reports on internal controls and compliance, the Schedule of Findings and Questioned Costs, the Corrective Action Plan, and the Summary Schedule of Prior Audit Findings.

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